

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

Amendment No. 1 to HB0662

**Head
Signature of Sponsor**

AMEND Senate Bill No. 38*

House Bill No. 662

by deleting all language after the enacting clause and by substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 5, is amended by adding the following new, appropriately designated section:

67-4-506.

(a)

(1) Each person operating any vending machine for the benefit of a charitable non-profit organization, by which merchandise of the market value of the coin deposited not exceeding twenty-five (25) cents is sold or delivered to customers, shall have the privilege and option of registration with the department of revenue, reporting gross receipts vended through such machines, and paying tax thereon, in lieu of sales tax, at the rate of one and one-half percent (1.5%) of the gross receipts from the machines (except that the percentage shall be two and one-half percent (2.5%) of the gross receipts of all tobacco items from the machines) in the same manner, with the same privileges and exemptions, and under the same regulation and administration as the tax codified in Section 67-4-402.

(2) For purposes of this section, "vending machine" means any machine built such that only a fixed, predetermined price can be paid for the item dispensed by such machine, the machine

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

Amendment No. 1 to HB0662

**Head
Signature of Sponsor**

AMEND Senate Bill No. 38*

House Bill No. 662

cannot return or make change, and the machine cannot be adjusted, mechanically, electronically or otherwise, to change the price charged for the item.

(3) For purposes of this section, "charitable non-profit organization" shall not include any organized labor organization.

(b) To comply with the above option, the name and address of the owner, and, if different from the owner, the name and address of the charitable non-profit organization must appear upon each vending machine, and each vending machine must have a permanent registration on forms provided by the department, at a cost for which the department may charge one dollar (\$1.00) each, plus a fee of two dollars (\$2.00) for each individual company so permanently registering.

(c) Any person, firm or corporation engaged in this business shall immediately notify the department of its options to pay under this chapter, and, failing to notify the department, shall pay sales tax as provided by law.

SECTION 2. Tennessee Code Annotated, Section 67-6-102(a)(25)(I), is amended by adding the following new language at the end of that item:

provided, further that "retail sale" or "sale at retail" shall not include vending machine purchases taxed under Section 67-4-506;

SECTION 3. This act shall take effect July 1, 2003, the public welfare requiring it.